

**INDEPENDENT AUDITORS' REPORT ON
THE FINANCIAL STATEMENTS
OF
WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
JUNE 30, 2012**

CONTENTS

	Page	Schedule
Required Supplementary Information:		
Management's Discussion and Analysis.....	2 - 5	
Independent Auditors' Report on the Financial Statements.....	6	
Basic Financial Statements:		
Proprietary Fund - Enterprise Fund:		
Statement of Net Assets	7	
Statement of Revenues, Expenses and		
Changes in Net Assets.....	8	
Statement of Cash (and Equivalents) Flows.....	9	
Notes to the Financial Statements.....	10 - 17	
Independent Auditors' Report on Compliance and on Internal Control		
Over Financial Reporting Based on an Audit of		
Financial Statements Performed in Accordance		
with <i>Government Auditing Standards</i>	18 - 19	
Supplemental Information Schedules:	20	
Summary Schedule of Findings.....	21	
Summary Schedule of Prior Year Findings.....	22	1
Corrective Action Plan for Current Year Audit Findings.....	23	2

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

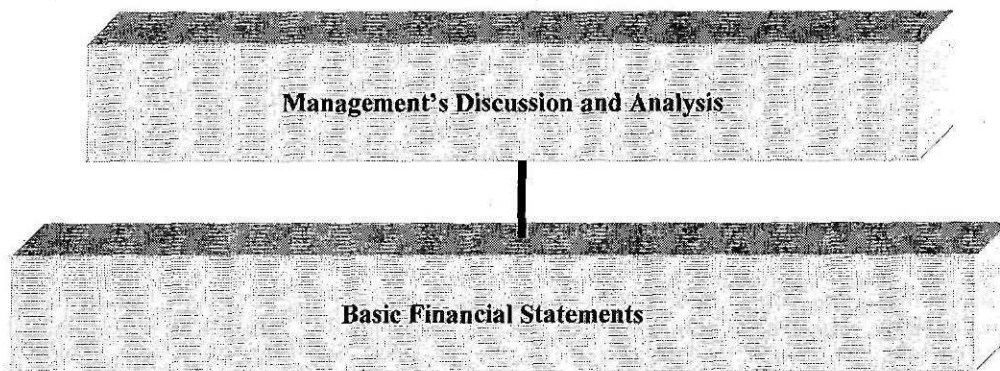
The Management's Discussion and Analysis of the West Calcasieu Parish Community Center Authority's financial performance presents a narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets exceeded its liabilities at the close of the fiscal year 2012 by \$11,320,119; of this amount, \$3,810,157 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to its users.
- The changes in net assets decreased by \$160,821, mainly due to an increase of operating revenues of \$40,838, and an increase of interest expense of \$188,821 due to the issuance of the new bonds.
- This year included facility revenues of \$134,941 and concession revenues of \$74,520, an increase of \$24,866 from prior year, with operating expenses decreasing by \$7,459, including the depreciation decrease of \$5,539.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

Basic Financial Statements

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (page 7) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 8) presents information showing how the Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 9) presents information showing how the Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	<u>06/11</u>	<u>06/12</u>
Current and other assets	\$ 3,922,830	\$ 11,695,597
Restricted Assets	803,364	562,588
Capital assets	6,829,650	7,036,572
Total Assets	<u>11,555,844</u>	<u>19,294,757</u>
Other Liabilities	32,102	119,638
Long-term debts outstanding	495,000	7,855,000
Total Liabilities	<u>527,102</u>	<u>7,974,638</u>
Net Assets:		
Capital Assets- Net of Related Debt	6,334,650	6,947,374
Restricted	803,364	562,588
Unrestricted	3,890,728	3,810,157
Total Net Assets	<u>\$ 11,028,742</u>	<u>\$ 11,320,119</u>
Hotel/Motel Tax Revenue	\$ 947,011	\$ 962,978
Parish Revenue	100,000	100,000
Interest Income	30,846	16,172
Facility Revenue	115,576	134,941
Concession Revenues	69,019	74,520
Other Income	1,750	691
Total Revenue	<u>\$ 1,264,202</u>	<u>\$ 1,289,302</u>

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

	<u>06/11</u>	<u>06/12</u>
Operating Revenues	\$ 1,131,606	\$1,172,439
Operating (Expenses)	<u>(767,264)</u>	<u>(759,805)</u>
Net Operating Income/(Loss)	364,342	412,634
Non-operating Revenues	132,596	116,863
Non-operating (Expenses)	<u>(47,362)</u>	<u>(240,742)</u>
Net Non-operating Income/(Loss)	<u>85,234</u>	<u>(123,879)</u>
Net Increase/(Decrease) In Net Assets	<u>\$ 449,576</u>	<u>\$ 288,755</u>

The overall financial position of the Authority increased in the year, primarily due to the increase in facility revenues and hotel/motel tax revenue. However, the change in net assets decreased due to the increased interest expense with the issuance of the new bonds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012 the Authority had \$7,036,572 in capital assets, net of accumulated depreciation. (See table below). This amount represents a net increase (including additions and deductions) of \$206,922 over last year.

	<u>06/11</u>	<u>06/12</u>
Construction in Progress	\$ 46,158	\$ 558,580
Land	1,332,915	1,332,915
Buildings	5,469,982	5,469,982
Land Improvements	1,169,051	1,173,272
Furniture and Equipment	543,095	543,191
Vehicle	44,297	44,297
Less Accumulated Depreciation	<u>(1,775,848)</u>	<u>(2,085,665)</u>
Totals	<u>\$6,829,650</u>	<u>\$7,036,572</u>

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

This year's major capital additions included above were:

Land improvements – lighting in barn	\$ 4,221
Arena equipment – John Deere Company Gator	\$ 10,500

The construction in progress balance was \$558,580 as of June 30, 2012, which are the preliminary costs on phase II, the conference center project. As of June 30, 2012, the total contracted amount, with change orders, for the planned project was \$ 9,750,000. The project is financed by a bond issue of \$7,855,000.

Debt Administration

The Authority paid the last installment on the Series 2002 Bonds of \$495,000 during the year. The Authority also issued new bonds, for the construction of phase II, the Conference Center. The amount of the issuance was \$7,855,000, with the first installment of \$270,000 due September 1, 2012.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Adrian Moreno, West Calcasieu Parish Community Center Authority.

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors
West Calcasieu Community Center Authority
Sulphur, Louisiana

We have audited the accompanying financial statements of the West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the West Calcasieu Parish Community Center Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Authority's June 30, 2011 financial statements and, in our report dated November 28, 2011 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Calcasieu Parish Community Center Authority as of June 30, 2012, and the respective changes in financial position and cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012 on our consideration of West Calcasieu Parish Community Center Authority's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs

December 11, 2012

Members

American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF NET ASSETS
June 30, 2012
with Comparative Totals for June 30, 2011

ASSETS		
Current Assets:	2012	2011
Cash and Cash Equivalents (Note 2)	\$ 11,168,662	\$ 1,034,798
Investments	-	2,506,555
Taxes Receivable	347,487	359,678
Prepaid Insurance	12,733	12,091
Miscellaneous Receivable	469	472
Concession Inventory	7,495	3,940
Total Current Assets	11,536,846	3,917,534
Restricted Assets:		
Cash and Cash Equivalents - Restricted (Note 3)	562,588	803,364
Property and Equipment: (Note 1F)		
Building	5,469,982	5,469,982
Land Improvements	1,173,272	1,169,051
Furniture and Equipment	543,191	543,095
Vehicle	44,297	44,297
Less Accumulated Depreciation	(2,085,665)	(1,775,848)
Land	1,332,915	1,332,915
Construction in Progress	558,580	46,158
Net Property and Equipment	7,036,572	6,829,650
Other Assets:		
Other Bond Issue Costs - Phase II (net of \$5,331 amortization)	158,751	5,296
Total Assets	\$ 19,294,757	\$ 11,555,844
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 2,185	\$ 15,777
Payroll Taxes Payable	6,757	4,351
Sales Tax Payable	2,065	2,012
Accrued Leave	9,396	6,146
Total Current Liabilities Payable from Current Assets	20,403	28,286
Current Liabilities (Payable from Restricted Assets):		
Interest Payable - Bonds	99,235	3,816
Bonds Payable - Current (Note 6)	270,000	495,000
Total Current Liabilities Payable from Restricted Assets	369,235	498,816
Total Current Liabilities	389,638	527,102
Bonds Payable - Long-Term (Note 6)	7,585,000	-
Total Liabilities	7,974,638	527,102
NET ASSETS		
Invested in Capital Assets, net of related debt	6,947,374	6,334,650
Restricted for Debt Service	562,588	803,364
Unrestricted	3,810,157	3,890,728
Total Net Assets	11,320,119	11,028,742
Total Liabilities and Net Assets	\$ 19,294,757	\$ 11,555,844

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS

For the Fiscal Year Ended June 30, 2012
with Comparative Totals for June 30, 2011

Operating Revenues:	2012	2011
Taxes - Hotel/Motel	\$ 962,978	\$ 947,011
Facility Revenues	134,941	115,576
Concession Revenues	74,520	69,019
Total Operating Revenues	<u>1,172,439</u>	<u>1,131,606</u>
Operating Expenses:		
Advertising and Promotions	8,501	7,087
Communications	6,550	5,160
Cost of Sales - Concessions	32,494	33,991
Depreciation	319,935	325,474
Dues and Subscriptions	1,144	1,200
Insurance	52,451	51,550
Maintenance of Property and Equipment	29,452	41,936
Other Expenses	1,750	902
Payroll and Related Benefits	209,567	192,359
Professional Fees	14,133	18,179
Rentals	1,485	2,662
Supplies	19,188	19,116
Training and Safety	1,397	2,805
Transportation, Lodging & Meals	21,280	20,925
Utilities	40,478	43,918
Total Operating Expenses	<u>759,805</u>	<u>767,264</u>
Operating Income (Loss)	412,634	364,342
Nonoperating Revenues (Expenses):		
Intergovernmental - Parish Revenue	100,000	100,000
Amortization Expense	(10,627)	(6,354)
Interest Expense - Bonds	(229,829)	(41,008)
Interest Income	16,172	30,846
Other Income	691	1,750
Loss on Disposal of Fixed Assets	(286)	-
Total Nonoperating Revenues (Expenses)	<u>(123,879)</u>	<u>85,234</u>
Change in Net Assets	288,755	449,576
Net Assets at Beginning of Year, as Originally Reported	11,028,742	10,581,034
Prior Period Adjustment	2,622	(1,868)
Net Assets at End of Year, as Restated	<u>11,031,364</u>	<u>10,579,166</u>
Net Assets - End of Year	<u>\$ 11,320,119</u>	<u>\$ 11,028,742</u>

See Accompanying Notes to Financial Statements

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF CASH (AND EQUIVALENTS) FLOWS
For the Fiscal Year Ended June 30, 2012
with Comparative Totals for June 30, 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Taxes Received	\$ 975,169	\$ 919,502
Receipts From Customers	209,464	184,994
Payments for Goods and Services	(245,417)	(255,628)
Payments to Employees For Services	(203,911)	(198,257)
Net Cash Provided By Operating Activities	<u>735,305</u>	<u>650,611</u>
Cash Flows From Capital And Related Financing Activities:		
Land Improvements	(4,221)	(10,501)
Purchase of Property And Equipment	(10,500)	(12,542)
Construction in Progress	(512,422)	-
Proceeds from Issuance of Bonds	7,855,000	-
Debt Service on Bonds	(629,410)	(514,631)
Bond Issue Costs	(164,082)	-
Decrease in Restricted Cash Accounts-Net	240,776	(403,886)
Net Cash Used By Capital And Related Financing Activities	<u>6,775,141</u>	<u>(941,560)</u>
Cash Flows From Non-Capital Financing Activities:		
Receipt of Intergovernmental-Parish	100,000	100,000
Net Cash Provided By Non-Capital Financing Activity	<u>100,000</u>	<u>100,000</u>
Cash Flows From Investing Activities:		
Redemption of Certificate of Deposits	2,506,555	-
Other Income	691	1,750
Interest Income	16,172	30,846
Net Cash Provided By Investing Activities	<u>2,523,418</u>	<u>32,596</u>
 Net (Increase) Decrease In Cash And Cash Equivalents	 10,133,864	 (158,353)
Cash Equivalents At Beginning Of Year	1,034,798	1,193,151
Cash Equivalents At End Of Year	<u>\$ 11,168,662</u>	<u>\$ 1,034,798</u>
Reconciliation Of Operating Income (Loss)		
To Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 412,634	\$ 364,342
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities:		
Depreciation Expense	319,935	325,474
(Decrease) Increase in Taxes Receivable	12,191	(27,509)
(Decrease) Increase in Miscellaneous Receivable	3	(472)
Decrease (Increase) in Prepaid Insurance	(642)	(2,012)
Decrease (Increase) in Sales Tax Payable	53	872
(Decrease) Increase in Accounts Payable	(10,970)	(5,091)
Decrease (Increase) in Inventory	(3,555)	905
Decrease (Increase) in Payroll Taxes Payable	2,406	(36)
Decrease (Increase) in Accrued Leave	3,250	(5,862)
Total Adjustments	<u>322,671</u>	<u>286,269</u>
 Net Cash Provided (Used) By Operating Activities	 <u>\$ 735,305</u>	 <u>\$ 650,611</u>

See Accompanying Notes to Financial Statements

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 29, 1992, by legal authority R.S. 33:4576, the Louisiana Legislature created the West Calcasieu Parish Community Center Authority. The Authority is charged with building, maintaining and operating a rodeo arena, sports complex, or community center within Calcasieu Parish.

The managing board of the West Calcasieu Parish Community Center Authority consists of five members, all serving without compensation. One member shall be appointed by the governing authority of each of the following municipalities: City of Sulphur, City of Westlake, City of DeQuincy, the Town of Vinton and one member shall be appointed by the governing authority of Calcasieu Parish who shall be a resident of Ward 4, 5, 6, or 7 of Calcasieu Parish.

The accounting policies of the West Calcasieu Parish Community Center Authority conform to accounting principles generally accepted in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting practices. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The Authority is a component unit of the State of Louisiana. This report includes all funds that are controlled by or dependent on the Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility.

B. Fund Accounting

The accounts of the Authority are organized on the basis of a proprietary fund which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses, incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Basis of Accounting

The Authority has implemented GASB 34 *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*.

The Authority's statements of net assets and revenues, expenses, and changes in fund net assets are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and

Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Authority's investment policy. If the original maturities of the investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Capital Assets

All capital assets are recorded at cost and updated for additions and retirements during the year. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Land and construction in progress are not depreciated. The Authority maintains a capitalization threshold of \$1,000. The Authority does not possess any infrastructure. Interest costs incurred during construction are not capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets life are recorded as expenses. Donated assets are recorded at their estimated fair market value at the time of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of five to forty years.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

F. Capital Assets (Continued)

The following is a schedule of changes in fixed assets for the year ended June 30, 2012:

	Beginning of Year	Additions	Dispositions	End of Year
Building	\$5,469,982	\$ -	\$ -	\$5,469,982
Land	1,332,915	-	-	1,332,915
Land Improvements	1,169,051	4,221	-	1,173,272
Vehicles	44,297	-	-	44,297
Furniture and Equipment	543,095	10,500	10,404	543,191
Construction in Progress	46,158	512,422	-	558,580
Total	8,605,498	527,143	10,404	9,122,237
Accumulated Depreciation	(1,775,848)	(319,935)	10,118	(2,085,665)
Net	<u>\$6,829,650</u>	<u>\$ 207,208</u>	<u>\$ 286</u>	<u>\$7,036,572</u>

G. Compensated Absences

The Authority has the following policy relating to vacation and sick leave:

Vacation

Each full-time employee shall be entitled to take vacation with pay in the following manner:

An employee of the Authority will earn one week's vacation after six (6) months from his/her hire date and it can be taken at the end of that period. After twelve (12) months service, he/she is eligible for an additional week of vacation.

One year.....	2 weeks
More than three years.....	3 weeks
More than ten years.....	4 weeks
More than fifteen years.....	5 weeks
More than twenty years.....	6 weeks

Employees may carry forward a maximum of eighty (80) hours of vacation past December 31 of each year. Those hours in excess of eighty (80) hours will be converted to sick leave.

Sick Leave

Sick leave shall be credited to regular employees at the rate of .0462 hours for each hour of work. Hours of work shall be defined as regular hours worked, holidays, and vacation time. (This is equivalent to eight (8) hours of sick leave per month.) This shall be granted to employees during the

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

As of and for the year ended June 30, 2012

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

G. Compensated Absences (Continued)

first year of continuous employment. After one year of continuous employment, the employee shall accumulate sick leave at the rate of .0692 hours for each hour of work. (This is equivalent to twelve (12) hours of sick leave per month.) After reaching a 600-hour plateau of accumulated sick leave, an employee will accumulate sick leave at a rate of .1154 hours for each hour of sick leave and other miscellaneous paid leave. (This is equivalent to twenty (20) hours of sick leave per month.) If an employee shall fall below the 600-hour plateau due to extended illness, employees shall still retain the benefit of accumulating sick leave at a rate of .1154 hours for each hour worked plus sick leave and other miscellaneous paid leave. No employee shall be paid for unused sick leave.

The Authority's recognition and measurement criteria for compensated absences is as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the employees earn the benefits if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through

paid time off or some other means, such as cash payments at termination or retirement.

H. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. The commitments (purchase orders, contracts, and other commitments for the expenditures of funds) are not treated as expenditures until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management

I. Net Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Authority, legislation or external restrictions by creditors, grantors, laws or regulations of other governments. The Authority's policy is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

K. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2012 the Authority had cash and cash equivalents (book balances) totaling \$11,731,250 as follows:

Non interest-bearing demand deposits-current	\$ 2,000
Interest-bearing demand deposits - current	11,166,662
Interest-bearing demand deposits - restricted	<u>562,588</u>
Total	\$ <u>11,731,250</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2012 the Authority had \$11,751,712 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$11,251,712 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds on demand.

Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

NOTE 3 - RESTRICTED CASH

Certain proceeds of the Series 2011 Revenue Bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants and they are maintained in a separate bank account. These funds are held with a paying agent on behalf of the Authority. The balance at June 30, 2012 and 2011 was \$562,588 and \$803,364, respectively.

NOTE 4 – COMPENSATED ABSENCES

At June 30, 2012, the employees of the Authority have accumulated and vested \$9,396 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012

NOTE 5 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees, and natural disasters. The Authority has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur.

NOTE 6 - BONDS PAYABLE

The Authority issued \$4,000,000 in excess revenue bonds with the 2002 bond series, dated May 1, 2002, due in annual installments of \$320,000 - \$495,000 through May 1, 2012, plus interest at 4.625%. These certificates were issued for the purpose of providing a portion of the funds necessary to acquire and construct a multi-purpose arena and sports complex with all necessary equipment and furnishings.

The following is a summary of changes in this long-term debt for the year ended June 30, 2012:

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Balance 6/30/2011</u>	<u>Retired 6/30/2012</u>	<u>Balance 6/30/2012</u>
2002	\$ 4,000,000	2012	4.63%	\$ 495,000	\$ (495,000)	\$ -

In addition, the Authority issued \$7,855,000 in excess revenue bonds with the 2011 bond series, dated September 1, 2011, due in annual installments of \$270,000 - \$545,000 through September 1, 2031, plus interest at 3.79%. These certificates were issued for the purpose of providing a portion of the funds necessary to construct the Events and Community Center with all necessary equipment and furnishings. The Authority pledges income derived from the collection of tax revenues to pay debt service. The following is a summary of changes in this long-term debt for the year ended June 30, 2012:

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Balance 6/30/2011</u>	<u>Retired 6/30/2012</u>	<u>Balance 6/30/2012</u>
2011	\$ 7,855,000	2031	3.79%	\$ -	\$ -	\$ 7,855,000

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012

NOTE 6 – BONDS PAYABLE (Continued)

The annual debt service requirements to maturity for the 2011 bond series as of June 30, 2012 are as follows:

Year Ending June 30,	Revenue Bonds Principal	Bonds Interest
2013	270,000	295,580
2014	280,000	282,166
2015	290,000	271,364
2016	300,000	260,184
2017	315,000	248,529
Thereafter	6,400,000	1,984,104
	<u>\$7,855,000</u>	<u>\$3,341,927</u>

NOTE 7 - RETIREMENT COMMITMENTS

The Authority does not provide retirement benefits. The employees of the Authority participate in the Social Security system and retirement benefits are provided by that system. The Authority is not responsible for any post-employment benefits. The Authority has only the usual obligations to make current matching payments to the social security system for active employees.

NOTE 8 – INTERGOVERNMENTAL REVENUE

The District entered into a cooperative agreement with the Calcasieu Parish Police Jury to provide for an annual contribution of \$100,000 from the Burton Coliseum and Agricultural Services tax for a period of ten (10) years beginning January 1, 2004.

NOTE 9 – CONSTRUCTION COMMITMENTS

Construction in progress consists of the preliminary costs for the Phase II Conference Center and were \$558,580 at June 30, 2012. The total projected cost to complete construction is \$9,750,000.

NOTE 10 – ECONOMIC DEPENDENCY

The Authority relies on the appropriation from the State of Louisiana from the Hotel Occupancy Tax funds to provide for the payment of bond principal and interest. If the State does not continue to appropriate funds for the Authority, their ability to retire their debt would be significantly affected.

NOTE 11 – BOARD PER DIEM

The members of the governing board received no per diem for the year ended June 30, 2012.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2012

NOTE 12 – SUBSEQUENT EVENT

Subsequent events were evaluated through December 11, 2012, which is the date the financial statements were available to be issued.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The Authority made adjustments to correct accounts payable from prior periods. This resulted in an increase of \$2,622 to unrestricted net assets at June 30, 2012.

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**Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance
With *Governmental Auditing Standards***

To the Board of Directors
West Calcasieu Community Center Authority
Sulphur, Louisiana

We have audited the financial statements of West Calcasieu Parish Community Center Authority as of and for the year ended June 30, 2012, and have issued our report thereon dated December 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Calcasieu Parish Community Center Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu Parish Community Center Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses [2012-1 and 2012-2].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu Parish Community Center Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs

December 11, 2012

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

SUPPLEMENTAL INFORMATION SCHEDULES

For the Year Ended June 30, 2012

A. Summary of Independent Auditors' Results:

1. Unqualified opinion on financial statements.
2. No instances of noncompliance required to be reported.
3. Matters involving internal control considered to be material weaknesses were reported.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

SCHEDULE OF FINDINGS

Year Ended June 30, 2012

We have audited the financial statements of the West Calcasieu Parish Community Center Authority as of and for the year ended June 30, 2012, and have issued our report thereon dated December 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☒ Yes ☐ No Other Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II Financial Statement Findings

- 2012-1** Because of the size of the Authority and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control. This situation dictates that the Board of Directors remain involved in the financial affairs of the Authority to provide oversight and independent review functions.
- 2012-2** The Authority does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the Authority's financial transactions or preparing its financial statements, including related notes.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2012

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS		
2011-1	Because of the size of the Organization and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.	Unresolved.
2011-2	The Organization does not have a staff person who has qualifications/training to apply GAAP in recording transactions or preparing financial statements.	Unresolved.
SECTION II - MANAGEMENT LETTER		
There were no prior year management letter comments.		

THIS SCHEDULE HAD BEEN PREPARED BY MANAGEMENT

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended June 30, 2012

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>2012-1:</u>	Unknown	Because of the size of the Authority and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.	No	Management is aware of the internal control problem and determined it is not cost effective to achieve complete segregation of duties in the accounting department. For the size of the Organization, it has segregated as many duties as possible.	Adrian Moreno	N/A
<u>2012-2 :</u>	Unknown	The Authority does not have a staff member with the qualifications and training to apply GAAP in recording transactions or preparing financial statements.	No	The Authority has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined it is best to continue to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Adrian Moreno	N/A